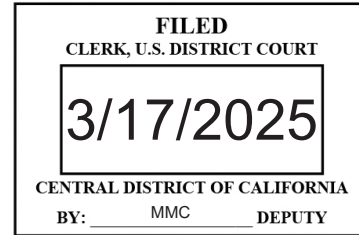


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Attorneys for Plaintiff
UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

SHENGSHENG HE,
aka "Adam,"

Defendant.

No. CR 2:25-CR-00175-PA

PLEA AGREEMENT FOR DEFENDANT
SHENGSHENG HE

1. This constitutes the plea agreement between SHENGSHENG HE ("defendant") and the United States Attorney's Office for the Central District of California (the "USAO") and the United States Department of Justice, Computer Crime and Intellectual Property Section ("CCIPS" and together with the USAO, the "United States") in the above-captioned case. This agreement is limited to the USAO and CCIPS and

1 cannot bind any other federal, state, local, or foreign prosecuting,
2 enforcement, administrative, or regulatory authorities.

3 DEFENDANT'S OBLIGATIONS

4 2. Defendant agrees to:

5 a. Give up the right to indictment by a grand jury and,
6 at the earliest opportunity requested by the USAO and CCIPS and
7 provided by the Court, appear and plead guilty to a single-count
8 information in the form attached to this agreement as Exhibit B or a
9 substantially similar form, which charges defendant with conspiracy
10 to commit an offense against the United States, in violation of 18
11 U.S.C. § 371, to wit, operation of an unlicensed money transmitting
12 business, in violation of 18 U.S.C. §§ 1960(b)(1)(B) and
13 1960(b)(1)(C).

14 b. Not contest the Factual Basis agreed to in this
15 agreement.

16 c. Abide by all agreements regarding sentencing contained
17 in this agreement.

18 d. Appear for all court appearances, surrender as ordered
19 for service of sentence, obey all conditions of any bond, and obey
20 any other ongoing court order in this matter.

21 e. Not commit any crime; however, offenses that would be
22 excluded for sentencing purposes under United States Sentencing
23 Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not
24 within the scope of this agreement.

25 f. Be truthful at all times with the United States
26 Probation and Pretrial Services Office and the Court.

1 g. Pay the applicable special assessment at or before the
2 time of sentencing unless defendant has demonstrated a lack of
3 ability to pay such assessments.

4 h. Defendant agrees that any and all criminal debt
5 ordered by the Court will be due in full and immediately. The
6 government is not precluded from pursuing, in excess of any payment
7 schedule set by the Court, any and all available remedies by which to
8 satisfy defendant's payment of the full financial obligation,
9 including referral to the Treasury Offset Program.

10 i. Complete the Financial Disclosure Statement on a form
11 provided by the United States and, within 30 days of defendant's
12 entry of a guilty plea, deliver the signed and dated statement, along
13 with all of the documents requested therein, to the United States by
14 either email at usacac.FinLit@usdoj.gov (preferred) or mail to the
15 USAO Financial Litigation Section at 300 North Los Angeles Street,
16 Suite 7516, Los Angeles, CA 90012. Defendant agrees that defendant's
17 ability to pay criminal debt shall be assessed based on the completed
18 Financial Disclosure Statement and all required supporting documents,
19 as well as other relevant information relating to ability to pay.

20 j. Authorize the United States to obtain a credit report
21 upon returning a signed copy of this plea agreement.

22 k. Consent to the United States inspecting and copying
23 all of defendant's financial documents and financial information held
24 by the United States Probation and Pretrial Services Office.

25 THE UNITED STATES' OBLIGATIONS

26 3. The United States agrees to:

27 a. Not contest the Factual Basis agreed to in this
28 agreement.

1 b. Abide by all agreements regarding sentencing contained
2 in this agreement.

3 c. At the time of sentencing, provided that defendant
4 demonstrates an acceptance of responsibility for the offense up to
5 and including the time of sentencing, recommend a two-level reduction
6 in the applicable Sentencing Guidelines offense level, pursuant to
7 U.S.S.G. § 3E1.1, and recommend and, if necessary, move for an
8 additional one-level reduction if available under that section.

9 NATURE OF THE OFFENSE

10 4. Defendant understands that for defendant to be guilty of
11 the crime charged in the single-count Information, that is,
12 conspiracy to operate an unlicensed money transmitting business, in
13 violation of Title 18, United States Code, Section 371, the following
14 must be true: (1) there was an agreement between two or more persons
15 to commit at least one crime as charged in the information, to wit:
16 operation of an unlicensed money transmitting business, in violation
17 of Title 18, United States Code, Sections 1960(a), (b)(1)(B), and
18 (b)(1)(C); (2) defendant became a member of the conspiracy knowing of
19 at least one of its objects and intending to help accomplish it; and
20 (3) one of the members of the conspiracy performed at least one overt
21 act for the purpose of carrying out the conspiracy.

22 5. Defendant understands that for defendant to be guilty of
23 the objects of the conspiracy, that is, operation of an unlicensed
24 money transmitting business, in violation of Title 18, United States
25 Code, Sections 1960(a), (b)(1)(B), and (b)(1)(C), the following must
26 be true: (1) defendant knowingly conducted, controlled, managed,
27 supervised, directed, or owned all or part of a money transmitting
28 business affecting interstate or foreign commerce; and (2) the

1 business was unlicensed in that it failed to comply with the money
2 transmitting business regulation requirements under Title 31, United
3 States Code, Section 5330 and the regulations promulgated under that
4 section; or otherwise involved the transportation or transmission of
5 funds that were known to the defendant to have been derived from a
6 criminal offense or were intended to be used to promote or support
7 unlawful activity. A money transmitting business transfers funds on
8 behalf of the public by any and all means including but not limited
9 to transfers within the United States or to locations abroad by wire,
10 check, draft, facsimile, or courier. A defendant does not need
11 specific knowledge of the registration requirements to violate Title
12 18, United States Code, Section 1960.

13 PENALTIES AND RESTITUTION

14 6. Defendant understands that the statutory maximum sentence
15 that the Court can impose for a violation of Title 18, United States
16 Code, Section 371, is: five years' imprisonment; a three-year period
17 of supervised release; a fine of \$250,000 or twice the gross gain or
18 gross loss resulting from the offense, whichever is greatest; and a
19 mandatory special assessment of \$100.

20 7. Defendant understands that defendant will be required to
21 pay full restitution to the victims of the offense to which defendant
22 is pleading guilty. Defendant agrees that, in return for the United
23 States' compliance with its obligations under this agreement, the
24 Court may order restitution to persons other than the victims of the
25 offense to which defendant is pleading guilty and in amounts greater
26 than those alleged in the count to which defendant is pleading
27 guilty. In particular, defendant agrees that the Court may order
28 restitution to any victim of any of the following for any losses

1 suffered by that victim as a result: any relevant conduct, as defined
2 in U.S.S.G. § 1B1.3, in connection with the offense to which
3 defendant is pleading guilty. The parties agree that the applicable
4 amount of restitution is at least \$7,560,014. The parties agree that
5 the amount of restitution could change based on facts that come to
6 the attention of the parties prior to sentencing.

7 8. Defendant understands that supervised release is a period
8 of time following imprisonment during which defendant will be subject
9 to various restrictions and requirements. Defendant understands that
10 if defendant violates one or more of the conditions of any supervised
11 release imposed, defendant may be returned to prison for all or part
12 of the term of supervised release authorized by statute for the
13 offense that resulted in the term of supervised release, which could
14 result in defendant serving a total term of imprisonment greater than
15 the statutory maximum stated above.

16 9. Defendant understands that, by pleading guilty, defendant
17 may be giving up valuable government benefits and valuable civic
18 rights, such as the right to vote, the right to possess a firearm,
19 the right to hold office, and the right to serve on a jury. Defendant
20 understands that he is pleading guilty to a felony and that it is a
21 federal crime for a convicted felon to possess a firearm or
22 ammunition. Defendant understands that the conviction in this case
23 may also subject defendant to various other collateral consequences,
24 including but not limited to revocation of probation, parole, or
25 supervised release in another case and suspension or revocation of a
26 professional license. Defendant understands that unanticipated
27 collateral consequences will not serve as grounds to withdraw
28 defendant's guilty plea.

1 10. Defendant and his counsel have discussed the fact that, and
2 defendant understands that, if defendant is not a United States
3 citizen, the conviction in this case makes it practically inevitable
4 and a virtual certainty that defendant will be removed or deported
5 from the United States. Defendant may also be denied United States
6 citizenship and admission to the United States in the future.
7 Defendant understands that while there may be arguments that
8 defendant can raise in immigration proceedings to avoid or delay
9 removal, removal is presumptively mandatory and a virtual certainty
10 in this case. Defendant further understands that removal and
11 immigration consequences are the subject of a separate proceeding and
12 that no one, including his attorney or the Court, can predict to an
13 absolute certainty the effect of his conviction on his immigration
14 status. Defendant nevertheless affirms that he wants to plead guilty
15 regardless of any immigration consequences that his plea may entail,
16 even if the consequence is automatic removal from the United States.

17 FACTUAL BASIS

18 11. Defendant admits that defendant is, in fact, guilty of the
19 offense to which defendant is agreeing to plead guilty. Defendant
20 and the USAO and CCIPS agree to the Factual Basis provided in Exhibit
21 A hereto and agree that this Factual Basis is sufficient to support
22 pleas of guilty to the charge described in this agreement and to
23 establish the Sentencing Guidelines factors set forth in paragraph 13
24 below but is not meant to be a complete recitation of all facts
25 relevant to the underlying criminal conduct or all facts known to
26 either party that relate to that conduct.

SENTENCING FACTORS

12. Defendant understands that in determining defendant's sentence the Court is required to calculate the applicable Sentencing Guidelines range and to consider that range, possible departures under the Sentencing Guidelines, and the other sentencing factors set forth in 18 U.S.C. § 3553(a). Defendant understands that the Sentencing Guidelines are advisory only, that defendant cannot have any expectation of receiving a sentence within the calculated Sentencing Guidelines range, and that after considering the Sentencing Guidelines and the other § 3553(a) factors, the Court will be free to exercise its discretion to impose any sentence it finds appropriate up to the maximum set by statute for the crime of conviction.

13. Defendant and the United States agree to the following applicable Sentencing Guidelines factors:

Base Offense Level:	8	U.S.S.G. § 2S1.1(a)(2)
		U.S.S.G. § 2X1.1(a)

Laundered Funds More Than \$25,000,000	+22	U.S.S.G. § 2B1.1(b)(1)(L)
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Business of Laundering Funds	+4	U.S.S.G. § 2S1.1(b)(2)(C)
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Defendant and the United States reserve the right to argue that additional specific offense characteristics, adjustments, and departures under the Sentencing Guidelines are appropriate.

14. Defendant understands that there is no agreement as to defendant's criminal history or criminal history category.

15. Defendant and the United States reserve the right to argue for a sentence outside the sentencing range established by the

1 Sentencing Guidelines based on the factors set forth in 18 U.S.C.
2 § 3553(a)(1), (a)(2), (a)(3), (a)(6), and (a)(7).

3 WAIVER OF CONSTITUTIONAL RIGHTS

4 16. Defendant understands that by pleading guilty, defendant
5 gives up the following rights:

6 a. The right to persist in a plea of not guilty.

7 b. The right to a speedy and public trial by jury.

8 c. The right to be represented by counsel -- and if
9 necessary have the Court appoint counsel -- at trial. Defendant
10 understands, however, that, defendant retains the right to be
11 represented by counsel -- and if necessary have the Court appoint
12 counsel -- at every other stage of the proceeding.

13 d. The right to be presumed innocent and to have the
14 burden of proof placed on the government to prove defendant guilty
15 beyond a reasonable doubt.

16 e. The right to confront and cross-examine witnesses
17 against defendant.

18 f. The right to testify and to present evidence in
19 opposition to the charges, including the right to compel the
20 attendance of witnesses to testify.

21 g. The right not to be compelled to testify, and, if
22 defendant chose not to testify or present evidence, to have that
23 choice not be used against defendant.

24 h. Any and all rights to pursue any affirmative defenses,
25 Fourth Amendment or Fifth Amendment claims, and other pretrial
26 motions that have been filed or could be filed.

WAIVER OF RETURN OF DIGITAL DATA

17. Understanding that the government has in its possession digital devices and/or digital media seized from defendant, defendant waives any right to the return of digital data contained on those digital devices and/or digital media and agrees that if any of these digital devices and/or digital media are returned to defendant, the government may delete all digital data from those digital devices and/or digital media before they are returned to defendant.

WAIVER OF VENUE

18. Having been fully advised by defendant's attorney regarding the requirements of venue with respect to the offense to which defendant is pleading guilty, to the extent the offense to which defendant is pleading guilty were committed, begun, or completed outside the Central District of California, defendant knowingly, voluntarily, and intelligently waives, relinquishes, and gives up: (a) any right that defendant might have to be prosecuted only in the district where the offense to which defendant is pleading guilty were committed, begun, or completed; and (b) any defense, claim, or argument defendant could raise or assert based upon lack of venue with respect to the offense to which defendant is pleading guilty.

WAIVER OF APPEAL OF CONVICTION

19. Defendant understands that, with the exception of an appeal based on a claim that defendant's guilty plea was involuntary, by pleading guilty defendant is waiving and giving up any right to appeal defendant's conviction on the offense to which defendant is pleading guilty. Defendant understands that this waiver includes, but is not limited to, arguments that the statute to which defendant is pleading guilty is unconstitutional, and any and all claims that

1 the statement of facts provided herein is insufficient to support
2 defendant's plea of guilty.

3 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE AND COLLATERAL ATTACK

4 20. Defendant agrees that, provided the Court imposes a total
5 term of imprisonment of no more than 60 months, defendant gives up
6 the right to appeal all of the following: (a) the procedures and
7 calculations used to determine and impose any portion of the
8 sentence; (b) the term of imprisonment imposed by the Court; (c) the
9 fine imposed by the Court, provided it is within the statutory
10 maximum; (d) to the extent permitted by law, the constitutionality or
11 legality of defendant's sentence, provided it is within the statutory
12 maximum; (e) the term of probation or supervised release imposed by
13 the Court, provided it is within the statutory maximum; and (f) any
14 of the following conditions of probation or supervised release
15 imposed by the Court: the conditions set forth in Second Amended
16 General Order 20-04 of this Court; the drug testing conditions
17 mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the alcohol and
18 drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

19 21. The United States agrees that, provided (a) all portions of
20 the sentence are at or below the statutory maximum specified above
21 and (b) the Court imposes a term of imprisonment of no less than 60
22 months, the United States gives up its right to appeal any portion of
23 the sentence, with the exception that the United States reserves the
24 right to appeal that the United States reserves the right to
25 appeal the amount of restitution ordered if that amount is less than
26 \$36,905,259.

27 22. Defendant also gives up any right to bring a post-
28 conviction collateral attack on the conviction or sentence, including

1 any order of restitution, except a post-conviction collateral attack
2 based on a claim of ineffective assistance of counsel, a claim of
3 newly discovered evidence, or an explicitly retroactive change in the
4 applicable Sentencing Guidelines, sentencing statutes, or statutes of
5 conviction. Defendant understands that this waiver includes, but is
6 not limited to, arguments that the statute to which defendant is
7 pleading guilty is unconstitutional, and any and all claims that the
8 statement of facts provided herein is insufficient to support
9 defendant's plea of guilty.

10 RESULT OF WITHDRAWAL OF GUILTY PLEA

11 23. Defendant agrees that if, after entering a guilty plea
12 pursuant to this agreement, defendant seeks to withdraw and succeeds
13 in withdrawing defendant's guilty plea on any basis other than a
14 claim and finding that entry into this plea agreement was
15 involuntary, then (a) the United States will be relieved of all of
16 its obligations under this agreement; and (b) should the United
17 States choose to pursue any charge that was either dismissed or not
18 filed as a result of this agreement, then (i) any applicable statute
19 of limitations will be tolled between the date of defendant's signing
20 of this agreement and the filing commencing any such action; and
21 (ii) defendant waives and gives up all defenses based on the statute
22 of limitations, any claim of pre-indictment delay, or any speedy
23 trial claim with respect to any such action, except to the extent
24 that such defenses existed as of the date of defendant's signing this
25 agreement.

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1 RESULT OF VACATUR, REVERSAL OR SET-ASIDE

2 24. Defendant agrees that if the count of conviction is
3 vacated, reversed, or set aside, both the United States and defendant
4 will be released from all their obligations under this agreement.

5 EFFECTIVE DATE OF AGREEMENT

6 25. This agreement is effective upon signature and execution of
7 all required certifications by defendant, defendant's counsel, and an
8 Assistant United States Attorney.

9 BREACH OF AGREEMENT

10 26. Defendant agrees that if defendant, at any time after the
11 signature of this agreement and execution of all required
12 certifications by defendant, defendant's counsel, and an Assistant
13 United States Attorney, knowingly violates or fails to perform any of
14 defendant's obligations under this agreement ("a breach"), the United
15 States may declare this agreement breached. All of defendant's
16 obligations are material, a single breach of this agreement is
17 sufficient for the United States to declare a breach, and defendant
18 shall not be deemed to have cured a breach without the express
19 agreement of the United States in writing. If the United States
20 declares this agreement breached, and the Court finds such a breach
21 to have occurred, then: (a) if defendant has previously entered a
22 guilty plea pursuant to this agreement, defendant will not be able to
23 withdraw the guilty plea, and (b) the United States will be relieved
24 of all its obligations under this agreement.

25 27. Following the Court's finding of a knowing breach of this
26 agreement by defendant, should the United States choose to pursue any
27 charge that was either dismissed or not filed as a result of this
28 agreement, then:

1 a. Defendant agrees that any applicable statute of
2 limitations is tolled between the date of defendant's signing of this
3 agreement and the filing commencing any such action.

4 b. Defendant waives and gives up all defenses based on
5 the statute of limitations, any claim of pre-indictment delay, or any
6 speedy trial claim with respect to any such action, except to the
7 extent that such defenses existed as of the date of defendant's
8 signing this agreement.

9 c. Defendant agrees that: (i) any statements made by
10 defendant, under oath, at the guilty plea hearing (if such a hearing
11 occurred prior to the breach); (ii) the agreed to factual basis
12 statement in this agreement; and (iii) any evidence derived from such
13 statements, shall be admissible against defendant in any such action
14 against defendant, and defendant waives and gives up any claim under
15 the United States Constitution, any statute, Rule 410 of the Federal
16 Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal
17 Procedure, or any other federal rule, that the statements or any
18 evidence derived from the statements should be suppressed or are
19 inadmissible.

20 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

21 OFFICE NOT PARTIES

22 28. Defendant understands that the Court and the United States
23 Probation and Pretrial Services Office are not parties to this
24 agreement and need not accept any of the United States' sentencing
25 recommendations or the parties' agreements to facts or sentencing
26 factors.

27 29. Defendant understands that both defendant and the United
28 States are free to: (a) supplement the facts by supplying relevant

1 information to the United States Probation and Pretrial Services
2 Office and the Court, (b) correct any and all factual misstatements
3 relating to the Court's Sentencing Guidelines calculations and
4 determination of sentence, and (c) argue on appeal and collateral
5 review that the Court's Sentencing Guidelines calculations and the
6 sentence it chooses to impose are not error, although each party
7 agrees to maintain its view that the calculations in paragraph 13 are
8 consistent with the facts of this case. While this paragraph permits
9 both the United States and defendant to submit full and complete
10 factual information to the United States Probation and Pretrial
11 Services Office and the Court, even if that factual information may
12 be viewed as inconsistent with the facts agreed to in this agreement,
13 this paragraph does not affect defendant's and the United States'
14 obligations not to contest the facts agreed to in this agreement.

15 30. Defendant understands that even if the Court ignores any
16 sentencing recommendation, finds facts or reaches conclusions
17 different from those agreed to, and/or imposes any sentence up to the
18 maximum established by statute, defendant cannot, for that reason,
19 withdraw defendant's guilty plea, and defendant will remain bound to
20 fulfill all defendant's obligations under this agreement. Defendant
21 understands that no one -- not the prosecutor, defendant's attorney,
22 or the Court -- can make a binding prediction or promise regarding
23 the sentence defendant will receive, except that it will be within
24 the statutory maximum.

25 NO ADDITIONAL AGREEMENTS

26 31. Defendant understands that, except as set forth herein,
27 there are no promises, understandings, or agreements between the
28 United States and defendant or defendant's attorney, and that no

1 additional promise, understanding, or agreement may be entered into
2 unless in a writing signed by all parties or on the record in court.

3 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

4 32. The parties agree that this agreement will be considered
5 part of the record of defendant's guilty plea hearing as if the
6 entire agreement had been read into the record of the proceeding.

7 AGREED AND ACCEPTED

8 UNITED STATES ATTORNEY'S OFFICE
9 FOR THE CENTRAL DISTRICT OF
CALIFORNIA

10 JOSEPH T. MCNALLY
11 Acting United States Attorney

3/13/2025

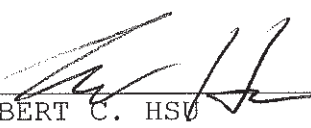
12 
13 MAXWELL COLL
14 NISHA CHANDRAN
15 ALEXANDER S. GORIN
16 Assistant United States Attorneys

Date

15 STEFANIE SCHWARTZ
16 TAMARA LIVSHIZ
17 Trial Attorneys
18 Criminal Division, Computer Crime
and Intellectual Property Section

19 
20 SHENGSHENG HE
Defendant

3/3/25
Date

21 
22 ROBERT C. HSU
23 Attorney for Defendant SHENGSHENG
24 HE

3-3-25
Date

CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. This agreement has been read to me in Mandarin, the language I understand best. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charge and wish to take advantage of the promises set forth in this agreement, and not for any other reason.


SHENGSHENG HE
Defendant

3/3/25
Date

CERTIFICATION OF INTERPRETER

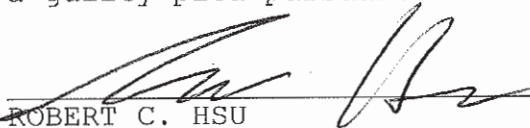
I, _____, am fluent in the written and spoken English and Mandarin languages. I accurately translated this entire agreement from English into Mandarin to defendant SHENGSHENG HE on this date.

INTERPRETER

Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am SHENGSHENG HE's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of his rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.


ROBERT C. HSU

Attorney for Defendant SHENGSHENG
HE

3-3-25
Date

EXHIBIT A

FACTUAL BASIS

1. Beginning from at least November 2021, and continuing through at least July 2023, in Los Angeles County, within the Central District of California, and elsewhere, defendant knowingly conspired with Co-Conspirator 1, Co-Conspirator 2, Co-Conspirator 3, and others, to operate an unlicensed money transmitting business. Defendant participated in and knew of the agreement to operate an unlicensed money transmitting business and intended to help accomplish the objects of the conspiracy. The unlicensed money transmitting business received millions of dollars in victim funds from U.S. persons targeted in cryptocurrency investment scams, also known as "pig butchering scams," and other related schemes. Defendant's unlicensed money transmitting business converted virtually all of the victim proceeds to the cryptocurrency Tether (or USDT) for a commission. After converting the proceeds, the unlicensed money transmitting business facilitated the transfer of the USDT to a cryptocurrency wallet controlled by individuals in Cambodia.

I. Defendant Sets Up Axis Digital and Opens Account at Deltec Bank

2. Defendant conspired to operate Axis Digital Limited ("Axis Digital"), an entity that Co-Conspirator 1 incorporated under the laws of the Commonwealth of the Bahamas on or about November 30, 2021. Using the Axis Digital business entity, defendant and Co-Conspirator 1 opened a bank account ("Bahamas Account #1") with the Bahamian financial institution Deltec Bank. Before opening Bahamas Account #1, defendant and Co-Conspirator 1 traveled to the Bahamas to meet with Deltec Bank employees and discussed a money transmitting

1 business whereby defendant and his co-conspirators would convert U.S.
2 dollars into USDT for a commission.

3 3. Defendant worked with Co-Conspirator 1 to set up the Axis
4 Digital business entity in the Bahamas and met with Deltec Bank
5 employees on multiple occasions to facilitate the creation of Bahamas
6 Account #1.

7 **II. Defendant Facilitated the Transfer of Funds Required to Open**
8 **Bahamas Account #1**

9 4. After setting up the Axis Digital business entity and
10 Bahamas Account #1, defendant, Co-Conspirator 1, Co-Conspirator 2,
11 Co-Conspirator 3, and others conspired to transfer roughly \$1 million
12 to Co-Conspirator 1's cryptocurrency account to demonstrate a proof
13 of funds to Deltec Bank. The proof of funds was required for Deltec
14 Bank to allow wire transfers into Bahamas Account #1 from other
15 financial institutions.

16 5. On or around June 8, 2022, defendant introduced Co-
17 Conspirator 1, Co-Conspirator 2, and Co-Conspirator 3 to each other
18 on an encrypted messaging platform and participated in discussions
19 about the transfer of roughly \$1 million in cryptocurrency to Co-
20 Conspirator 1. Defendant also participated in discussions about Co-
21 Conspirator 1 returning the roughly \$1 million in cryptocurrency to
22 the co-conspirators after sending a proof of funds to Deltec Bank.
23 Co-Conspirator 1 in fact received the \$1 million from co-conspirators
24 and sent a proof of funds to Deltec Bank, which enabled Axis Digital
25 to begin receiving wires from other financial institutions.
26
27
28

1 **III. Defendant Traveled to Cambodia to Discuss the Transfers of**
2 **Cryptocurrency to Individuals Involved in Scam Centers**

3 6. In July 2022, after opening Bahamas Account #1, but before
4 funds transferred into Bahamas Account #1 from victims in the United
5 States, defendant, Co-Conspirator 1, and Co-Conspirator 2 traveled to
6 Phnom Penh, Cambodia, to meet with Co-Conspirator 3 and other co-
7 conspirators based in Cambodia and elsewhere. During the trip to
8 Cambodia, defendant discussed with several co-conspirators the
9 transfer of money from U.S. bank accounts to Bahamas Account #1, and
10 the subsequent conversion of those funds to USDT for a commission.
11 Defendant and several co-conspirators also discussed the transfer of
12 USDT from Bahamas Account #1 to a cryptocurrency wallet that co-
13 conspirators in Cambodia controlled.

14 7. During the July 2022 trip to Cambodia, defendant and co-
15 conspirators traveled within the greater Phnom Penh region to at
16 least one compound wherein co-conspirators conducted cryptocurrency
17 investment scams, also known as "pig butchering scams." Defendant
18 later came to understand that the funds flowing from U.S. financial
19 institutions to the Axis Digital bank account in the Bahamas included
20 money from victims of these cryptocurrency scams.

21 **IV. Axis Digital Limited Received More Than \$36 Million From U.S.**
22 **Bank Accounts Opened in the Names of U.S. Shell Companies**

23 8. Between June 2022 and July 2023, the Axis Digital bank
24 account received at least approximately \$36,905,259 from U.S. bank
25 accounts set up in the names of U.S. shell companies. Each of the
26 shell companies received these funds from U.S. victims of
27 cryptocurrency investment scams or related schemes. This includes
28 the following shell entities:

1 a. B&C Commerce LLC, a shell company registered with the
2 California Secretary of State on or about January 21, 2022, with a
3 principal address in San Gabriel, California;

4 b. Jimei Trading Inc., a shell company registered with
5 the California Secretary of State on or about May 15, 2022, with a
6 principal address in San Gabriel, California;

7 c. YXJ Trading Corporation, a shell company registered
8 with the California Secretary of State on or about July 30, 2022,
9 with a principal address in Monterey Park, California;

10 d. YYJ Consulting Corporation, a shell company registered
11 with the California Secretary of State on or about August 25, 2022,
12 with a principal address in Monterey Park, California;

13 e. Sea Dragon Trading, LLC, a shell company registered
14 with the California Secretary of State on or about September 8, 2022,
15 with a principal address in Alhambra, California;

16 f. SMX Beauty Inc., a shell company registered with the
17 California Secretary of State on or about October 13, 2022, with a
18 principal address in Monterey Park, California;

19 g. SMX Travel Inc., a shell company registered with the
20 California Secretary of State on or about October 13, 2022, with a
21 principal address in Monterey Park, California; and

22 h. Sea Dragon Remodel, Inc., a shell company registered
23 with the California Secretary of State on or about October 17, 2022,
24 with a principal address in Vernon, California.

25 9. Defendant and his co-conspirators created so-called digital
26 transaction agreements and "Know Your Customer" or "KYC" forms
27 associated with the U.S. shell companies, including those listed in
28 Paragraph 8, detailing the conversion of millions of dollars to USDT.

1 The agreements each listed Axis Digital as the business entity
2 conducting the conversion of funds. The agreements each listed the
3 same cryptocurrency address beginning with TRteo (the "TRteo
4 Address") as the receiving wallet. Defendant came to understand that
5 the KYC forms for the shell companies and related wire transfers did
6 not reflect legitimate business transfers.

7 **V. Defendant Directed the Transfer of Funds to a Cryptocurrency**
8 **Wallet Controlled by Co-Conspirators in Cambodia**

9 10. When the U.S. bank accounts set up in the names of shell
10 companies transferred victim funds to Bahamas Account #1, defendant
11 and his co-conspirators directed Deltec Bank employees to convert the
12 funds into USDT and to transfer the funds to the TRteo Address.
13 Defendant directly messaged with Deltec Bank employees to coordinate
14 these conversions and money transfers. Defendant and his co-
15 conspirators converted all of the funds in Bahamas Account #1 - more
16 than \$36 million - to USDT. Defendant and his co-conspirators then
17 directed the transfer of all of the funds to the TRteo Address.

18 11. Defendant earned a commission on wire transfers into Bahamas
19 Account #1 or the subsequent transfer of USDT to the TRteo Address.
20 Defendant received ledgers from co-conspirators detailing the
21 commissions he earned on wire transfers.

22 12. Defendant agrees that Axis Digital laundered at least
23 \$36,905,259 in funds from U.S. shell companies.

24 **VI. Defendant Did Not Comply With Money Transmitting Business**
25 **Regulations and Knew the Source of Funds Derived from a Criminal**
26 **Offense**

27 13. Defendant knowingly conducted, controlled, managed,
28 supervised, directed, or owned all or part of the Axis Digital money
transmitting business, which affected interstate and foreign

1 commerce. The Axis Digital business was unlicensed in that it failed
2 to comply with the money transmitting business regulation
3 requirements under 31 U.S.C. § 5330 and the regulations promulgated
4 under that section. Defendant also came to understand that at least
5 a portion of the funds flowing into Bahamas Account #1 were derived
6 from a criminal offense or were otherwise intended to be used to
7 promote or support unlawful activity.

8 **VII. Defendant Received Victim Funds in a Bank of America Account**

9 14. In addition to Bahamas Account #1, defendant came to
10 understand that he received U.S. victim funds directly into a Bank of
11 America account he controlled ("BofA Account"). Defendant opened the
12 BofA Account in the name of the company Crestview Services. Defendant
13 received at least one wire directly from a U.S. shell company laundering
14 victim proceeds into the BofA Account.

15 15. Defendant learned that based on the government's
16 investigation, Victim J.S. filed a complaint with the government
17 stating that they fell victim to a "pig butchering" scheme and was
18 scammed into sending what they believed were funds for investment.
19 J.S. was instructed to send the funds to a JPMC account belonging to
20 an entity called Haoyu 198 Trading. Bank records show that J.S. sent
21 a wire for \$176,440 to that JPMC account on November 15, 2022. The
22 following day, on November 16, 2022, the JPMC account for Haoyu 198
23 Trading sent \$150,000 to the BofA Account controlled by defendant.

EXHIBIT B

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

SHENGSHENG HE,
aka "Adam,"

Defendant.

CR No.

I N F O R M A T I O N

[18 U.S.C. § 371: Conspiracy to
Operate an Illegal Money
Transmitting Business;
18 U.S.C. § 982: Criminal
Forfeiture]

The Acting United States Attorney charges:

COUNT ONE

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

1. Defendant SHENGSHENG HE ("HE"), also known as ("aka")
"Adam," was a citizen of the United States and resided in Los

1 Angeles, California, and Mexico City, Mexico.

2 2. Co-Conspirator 1 was a citizen of the United States and
3 resided in Los Angeles, California.

4 3. Co-Conspirator 2 was a citizen of the People's Republic of
5 China ("PRC") and resided in the United Arab Emirates.

6 4. Co-Conspirator 3 was a citizen of the PRC and St. Kitts and
7 Nevis and resided in the Kingdom of Cambodia, the United Arab
8 Emirates, and the PRC.

9 5. Axis Digital Limited ("Axis Digital") was an entity
10 incorporated under the laws of the Commonwealth of the Bahamas on or
11 about November 30, 2021.

12 6. "Bahamas Account #1" was an account at Deltec Bank and
13 Trust Limited ("Deltec Bank") in the Bahamas, opened by Axis Digital
14 on or about February 25, 2022.

15 7. B&C Commerce LLC ("B&C Commerce") was a shell company
16 registered with the California Secretary of State on or about January
17 21, 2022, with a principal address in San Gabriel, California.

18 8. Jimei Trading Inc. ("Jimei Trading") was a shell company
19 registered with the California Secretary of State on or about May 15,
20 2022, with a principal address in San Gabriel, California.

21 9. YXJ Trading Corporation ("YXJ Trading") was a shell company
22 registered with the California Secretary of State on or about July
23 30, 2022, with a principal address in Monterey Park, California.

24 10. YYJ Consulting Corporation ("YYJ Consulting") was a shell
25 company registered with the California Secretary of State on or about
26 August 25, 2022, with a principal address in Monterey Park,
27 California.

28 11. Sea Dragon Trading, LLC ("Sea Dragon Trading") was a shell

1 company registered with the California Secretary of State on or about
2 September 8, 2022, with a principal address in Alhambra, California.

3 12. SMX Beauty Inc. ("SMX Beauty") was a shell company
4 registered with the California Secretary of State on or about October
5 13, 2022, with a principal address in Monterey Park, California.

6 13. SMX Travel Inc. ("SMX Travel") was a shell company
7 registered with the California Secretary of State on or about October
8 13, 2022, with a principal address in Monterey Park, California.

9 14. Sea Dragon Remodel, Inc. ("Sea Dragon Remodel") was a shell
10 company registered with the California Secretary of State on or about
11 October 17, 2022, with a principal address in Vernon, California.

12 15. The virtual-currency wallet address beginning with TRteo
13 (the "TRteo Address") was a wallet that received transfers of virtual
14 currency converted from funds in Bahamas Account #1.

15 B. DEFINITIONS

16 16. "Digital currency" or "virtual currency" is currency that
17 exists only in digital form; it has some of the characteristics of
18 traditional money, but it does not have a physical equivalent.
19 Cryptocurrency, a type of virtual currency, is a network-based medium
20 of value or exchange that may be used as a substitute for traditional
21 currency to buy goods or services or exchanged for traditional
22 currency or other cryptocurrencies. USDT, or Tether, is a virtual
23 currency whose value is pegged to the U.S. dollar.

24 17. The term "spoofed" refers to domain spoofing, a process by
25 which cybercriminals seek to persuade victims that a web address or
26 email belongs to a legitimate and generally trusted company, when in
27 fact it links the user to a fraudulent site controlled by a
28 cybercriminal.

1 18. In "pig butchering" fraud schemes (a term derived from a
2 foreign-language phrase used to describe these crimes), scammers
3 encounter victims on dating services, social media, or through
4 unsolicited messages or calls, often masquerading as a wrong number.
5 Scammers initiate relationships with victims and slowly gain their
6 trust, eventually introducing the idea of making a business
7 investment using cryptocurrency. Victims are then directed to other
8 members of the scheme operating fraudulent cryptocurrency investment
9 platforms and applications, where victims are persuaded to make
10 financial investments. Once funds are sent to scammer-controlled
11 accounts, the investment platform often falsely shows significant
12 gains on the purported investment, and the victims are thus induced
13 to make additional investments. Ultimately, the victims are unable
14 to withdraw or recover their money, often resulting in significant
15 losses for the victims.

16 19. In "customer service" or "tech support" fraud schemes,
17 victims are contacted by fake customer service or technology support
18 representatives. Scammers often pretend to represent a prominent
19 company and contact the victim to alert them to a supposed infection
20 with a computer virus or false issue with the victim's computer or
21 other digital device. Scammers then take a variety of actions to
22 defraud the victim, including, but not limited to, the following: (a)
23 causing the victim to provide them with remote access to the victim's
24 digital devices to supposedly remediate the problem, (b) requesting
25 that funds be transferred to pay for assistance, and (c) advising the
26 victim to transfer money from accounts that are supposedly
27 compromised by the problem to accounts controlled by the scammer.

1 C. OBJECT OF THE CONSPIRACY

2 20. Beginning on an unknown date, but no later than on or about
3 November 2021, and continuing to in or about July 2023, in Los
4 Angeles County, within the Central District of California, and
5 elsewhere, defendant HE, with others known and unknown, knowingly
6 conspired and agreed to commit an offense against the United States,
7 namely, to operate an unlicensed money transmitting business, in
8 violation of 18 U.S.C. §§ 1960(b)(1)(B) and 1960(b)(1)(C).

9 D. THE MANNER AND MEANS OF THE CONSPIRACY

10 21. The object of the conspiracy was to be accomplished in
11 substance as follows:

12 Solicitation of Investment Fraud Victims

13 a. Unindicted co-conspirators would contact victims
14 directly through unsolicited social-media interactions, telephone
15 calls and messages, and online dating services.

16 b. Unindicted co-conspirators would gain the trust of
17 victims by establishing either professional or romantic relationships
18 with the victims. Unindicted co-conspirators would build these
19 relationships through interstate communications, including, but not
20 limited to, electronic messages sent via end-to-end encrypted
21 applications.

22 c. Unindicted co-conspirators would promote fraudulent
23 cryptocurrency investments to the victims after gaining the victims'
24 trust.

25 d. Unindicted co-conspirators would establish spoofed
26 domains and websites that resembled legitimate cryptocurrency trading
27 platforms.

28 e. In some executions of the scheme, unindicted co-

1 conspirators would fraudulently induce victims into investing in
2 cryptocurrency through these fraudulent and spoofed investment
3 platforms.

4 f. In other executions of the scheme, unindicted co-
5 conspirators would fraudulently induce victims into investing in
6 cryptocurrency by sending funds via wire transfer.

7 g. Unindicted co-conspirators would fraudulently
8 represent to victims that the victims' investments were appreciating
9 when, in fact, those funds had been converted by members of the fraud
10 scheme.

11 Solicitation of Customer Service and Tech Support Fraud Victims

12 h. Unindicted co-conspirators would fraudulently
13 represent to victims through interstate communications, including,
14 but not limited to, electronic messages and phone calls, that they
15 were from a customer service or technology support company.

16 i. Unindicted co-conspirators would fraudulently induce
17 victims to send funds via wire transfer or cryptocurrency trading
18 platforms to purportedly remediate a non-existent virus or other
19 false computer-related problem.

20 Operation of Unlicensed Money Transmitting Business

21 j. Co-conspirators would register dozens of U.S. shell
22 companies with the California Secretary of State and elsewhere,
23 including B&C Commerce, Jimei Trading, YXJ Trading, YYJ Consulting,
24 SMX Beauty, SMX Travel, Sea Dragon Trading, and Sea Dragon Remodel.

25 k. Co-conspirators would open bank accounts in the names
26 of various shell companies.

27 l. Co-conspirators would receive victim funds in U.S.
28 bank accounts established on behalf of shell companies and cause the

1 further transfer of victim funds to domestic and international bank
2 accounts.

3 m. Defendant HE and co-conspirators would monitor the
4 receipt and execution of interstate and international wire transfers
5 of victim funds, including to Bahamas Account #1.

6 n. Defendant HE and other co-conspirators would monitor
7 the conversion of victim funds to USDT and the subsequent
8 distribution of virtual currency to cryptocurrency wallets.

9 o. Defendant HE and co-conspirators would direct the
10 conversion of nearly all of the funds into USDT and the subsequent
11 transfer of cryptocurrency to the TRteo Address.

12 p. Defendant HE would receive a commission for the
13 transfer of victim funds to USDT and would distribute ledgers
14 detailing the profit-sharing arrangement.

15 q. Defendant HE and other co-conspirators would possess
16 fraudulent "Know Your Customer" ("KYC") documents associated with
17 these wire transfers.

18 r. Co-conspirators would cause wire transfers to be sent
19 through various intermediary bank accounts before reaching their
20 final beneficiary.

21 s. Defendant HE would receive victim funds in financial
22 accounts he directly controlled.

23 t. Defendant HE and other co-conspirators would
24 communicate with each other and coordinate acts in furtherance of the
25 conspiracy through encrypted messaging services.

26 E. OVERT ACTS

27 22. In furtherance of the conspiracy and to accomplish its
28 object, defendant HE, Co-Conspirators 1, 2, and 3, and others known

1 and unknown, on or about the dates set forth below, committed and
2 caused to be committed various overt acts, in the Central District of
3 California and elsewhere, including, but not limited to, the
4 following:

5 Overt Act No. 1: On November 30, 2021, Co-Conspirator 1,
6 defendant HE, and other co-conspirators established the Bahamian
7 entity Axis Digital.

8 Overt Act No. 2: On June 8, 2022, defendant HE sent messages
9 in an encrypted messaging platform introducing several co-
10 conspirators to each other and discussing the transfer of funds to
11 Co-Conspirator 1 to open Bahamas Account #1, including a video of Co-
12 Conspirator 1's financial account.

13 Overt Act No. 3: On July 6, 2022, defendant HE traveled to
14 Phnom Penh, Cambodia, to meet with co-conspirators regarding the
15 operation of Bahamas Account #1 and the transfer of USDT to the TRTeo
16 Address.

17 Overt Act No. 4: On July 6, 2022, defendant HE sent a message
18 in an encrypted messaging platform to Co-Conspirator 3 regarding
19 communications with Deltec Bank employees.

20 Overt Act No. 5: On July 6, 2022, defendant HE sent via an
21 encrypted messaging platform a template for the "Know Your Customer"
22 document associated with Axis Digital and the conversion of funds in
23 Bahamas Account #1 to USDT.

24 Overt Act No. 6: On an unknown date but no later than July 7,
25 2022, defendant HE corresponded with a Deltec Bank employee who acted
26 as the account manager for Bahamas Account #1 regarding the
27 conversion of funds to USDT.

28 Overt Act No. 7: On August 5, 2022, defendant HE corresponded

1 with Deltec Bank employees on an encrypted messaging platform and
2 confirmed that funds from Bahamas Account #1 should be converted to
3 USDT and transferred to the TRteo Address.

4 Overt Act No. 8: On an unknown date but no later than
5 September 28, 2022, defendant HE sent Deltec Bank employees wire
6 forms associated with transfers to Bahamas Account #1 from YYJ
7 Consulting and YXJ Trading.

8 Overt Act No. 9: On November 14, 2022, defendant HE messaged
9 co-conspirators stating that, "Starting this time, the three of us
10 have the same ratio of 20/20/20."

11 Overt Act No. 10: On November 16, 2022, defendant HE received,
12 in a U.S. bank account he directly controlled, approximately \$150,000
13 from a shell company that received victim funds from a cryptocurrency
14 investment scam.

FORFEITURE ALLEGATION

[18 U.S.C. § 982]

1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 982(a)(2), in the event of defendant's conviction of the offense set forth in this Information.

2. Defendant, if so convicted, shall forfeit to the United States of America the following:

(a) All right, title and interest in any and all property, real or personal, constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of the offense; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), defendant, if so convicted, shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as the result of any act or omission of said defendant, the property described in the preceding paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been

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1 substantially diminished in value; or (e) has been commingled with
2 other property that cannot be divided without difficulty.

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5
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